



WASHINGTON STATE DEPARTMENT OF

Natural Resources

Doug Sutherland-Commissioner of Public Lands

Oil and Gas Drilling Permit Application

APPLICATION TO: DRILL _____ XX _____
REDRILL _____
DEEPEN _____
STRAT HOLES _____

#514
API 025-00017
RECEIVED
JUL 17 2006
Geology and Earth

Application to drill must be submitted to the Oil and Gas Supervisor and approval must be obtained before drilling begins. Submit this application in duplicate, accompanied by a completed State Environmental Policy Act (SEPA) checklist, performance bond and appropriate permit fee which shall be in cash, or check drawn upon or issued by a Washington State qualified depository payable to the Department of Natural Resources.

DRILLING PERMIT FEE SCHEDULE

Fees:

To drill, re-drill, or deepen to 3500 ft.

	\$250.00
3501 to 7,000 feet	\$500.00
7001 to 12,000 feet	\$750.00
12,001 feet plus	\$1,000.00

Shallow (less than 2,000 feet geologic information only)

Blanket permit for seismic shot holes

\$100.00

\$100.00

Each person who succeeds to the rights and obligations under this permit shall, within 10 days after the rights are acquired, notify the Supervisor in writing thereof.

NAME OF COMPANY OR OPERATOR

Name: EnCana Oil & Gas (USA) Inc. Attn: Gary Houghton

Address: 370 17th Street, Suite 1700

City: Denver, Colorado 80202

DESCRIPTION OF LEASE OR PROPERTY

Name and address of fee owner: Farrah Brown and Justin Brown, 12088 Rd 11 SW, Royal City, WA 99357

Number of acres: 162.00 acres Well name and no.: Brown 7-24

Name and address of surface owner if other than mineral owner: Same

Number of wells on lease: 0 Acres assigned to well: Approximately 15

LOCATION OF WELL

Field or general vicinity: 3 miles east of Wanapum Dam and immediately south of Beverly Burke Road

County: Grant County

Proposed well locations (Give section, township, and range, and give footage from section lines.):

SW ¼ NE ¼, Section 24, T16N, R23E

1,980 feet south of the north line of Section 24, T16N R23E

1,980 feet west of the east line of Section 24, T16N, R24E

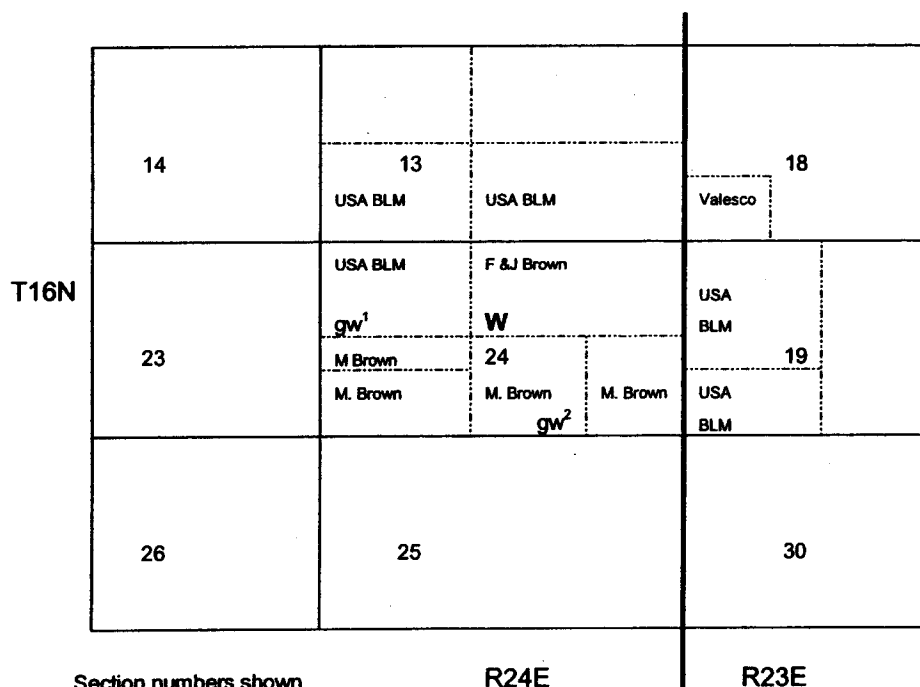
Nearest distance from proposed well to property or lease line: 1,980 feet to north and east

Distance from proposed well to nearest completed or applied for well on same lease: None

Proposed depth to be drilled: 14,000 feet Elevation of surface 1000 feet

Draw sketch in space below and attach a map, by a licensed surveyor, of the well location. The sketch must show the location of the proposed well and show distances and direction from the well to:

- (1) The nearest section lines, both north (or south) and east (or west)
North: Section 13, T16N, R23E
East: Section 19, T16N, R24E
- (2) The nearest lease lines on all sides of this location (see lease summary, schematic, and attached plat)
- (3) The nearest wells on all sides of this location Based on review of the Washington State Department of Ecology- Water Resources Program online well log database, the nearest existing water wells are 0.5-mile to the west (B&G Farms) and 0.5-mile to the southwest (Ben Jaminez) in Section 24, T16N, R23E. FIGURE IS NOT TO SCALE.



W - proposed exploration well

gw¹ - Groundwater well registered to B&G Farms

gw² - Groundwater well registered to Ben

Give names of adjoining lease or property owners and designate property lines. Indicate scale used. See lease summary below and attached Tax Assessors Map

If different from the above-named company or operator, give name to which correspondence regarding this well should be addressed:

Mark Bricker
CH2M HILL, Inc.
1100 112th Ave NE, Suite 400
Bellevue, WA 98004
(425) 233-3294

LEASE SUMMARY

<u>DRILL SITE:</u>	T16N R23E, Section 24, Parcel Number 210560000 (162.00 acres)
Mineral Owner	Justin Brown 12088 Rd 11 SW, Royal City, WA 99357 (50%) Farrah Brown 12088 Rd 11 SW, Royal City, WA 99357 (50%)
Mineral Lessee	EnCana Oil & Gas (USA) Inc., Denver, CO
Surface Owner	Farrah Brown and Justin Brown, 12088 Rd 11 SW, Royal City, WA, 99357
<u>NORTH:</u>	T16N R23E, Section 13, Parcel Number 210561000 (189.2 acres)
Mineral Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
Surface Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
<u>NORTH EAST:</u>	T16N R24E, Section 18, Parcel Number 210576000 (9.2 acres)
Mineral Owner	Kim D. Velasco, 1565 First St. Norco, CO 92860
Surface Owner	Kim D. Velasco, 1565 First St. Norco, CO 92860
<u>EAST:</u>	T16N R24 E, Sec 19, Parcel Number 210579000 (116.2 acres)
Mineral Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
Surface Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
<u>SOUTHEAST:</u>	T16N R24E, Sec 19, Parcel Number 210582000 (124.2 acres)
Mineral Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
Surface Owner	United States of America, Bureau of Land Management, Oregon Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204
<u>SOUTH:</u>	T16N R23E, Section 24, Parcel Number 210558000 (71.2 acres)
Mineral Owner	Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357 (20%) Arthur L Cady, 606 Thomas St. East, Apt C. Seattle, WA 98102 (26.67%) Jane L. Gearym 8760 Pebble Beach Drive, Sun City, CA 92381 (26.67%) Vinita Cady, 3215 NW 59 th St, Seattle, WA 98107 (26.67%)
Surface Owner	Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357
<u>SOUTH:</u>	T16N R23E, Section 24, Parcel Number 210556000 (92.3 acres)
Mineral Owner	Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357 (20%)

Arthur L Cady, 606 Thomas St. East, Apt C. Seattle, WA 98102 (26.67%)

Jane L. Gearym 8760 Pebble Beach Drive, Sun City, CA 92381 (26.67%)

Vinita Cady, 3215 NW 59th St, Seattle, WA 98107 (26.67%)

Surface Owner Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357

SOUTH WEST: T16N R23E, Section 24, Parcel Number 210500000 (20.77 acres)

Mineral Owner Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357

Surface Owner Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357

SOUTH WEST: T16N R23E, Section 25, Parcel Number 210555000 (148.90 acres)

Mineral Owner Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357 (20%)

Carl S. Cady, Jr, (widow Vinita Cady), 3215 NW 59th St, Seattle, WA 98107 (80%)

Surface Owner Michael B. Brown, 12088 Rd 11 SW, Royal City, WA 99357

WEST: T16N R23E, Section 24, Parcel Number 210551000 (162.224 acres)

Mineral Owner United States of America, Bureau of Land Management, Oregon
Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204

Surface Owner United States of America, Bureau of Land Management, Oregon
Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204

NORTH WEST: T16N R23E, Section 13, Parcel Number 210549000 (188.6 acres)

Mineral Owner United States of America, Bureau of Land Management, Oregon
Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204

Surface Owner United States of America, Bureau of Land Management, Oregon
Washington State BLM Office, 333 SW First Avenue, Portland, OR 97204

AFFIDAVIT

I, Gary E. Houghton, being first duly sworn on oath, state that to the best of my knowledge and belief the facts and matter contained on this form are true and correct.

Name Gary E. Houghton
Title New Ventures Engineer
Subscribed and sworn to this 14 day of July 2006

NOTARY PUBLIC

My commission expires: My Commission Expires 5/25/2009 Denver County

Address 665 17th St Denver CO 80202

Colorado
Washington

ACTION OF AGENCY

Approved: _____

Denied: _____

Washington Department of Natural Resources
Division of Geology and Earth Resources

By: _____

Name: _____

Title: _____

Permit No.: _____ To be filled in by Supervisor. This number should always be used in correspondence relating to this well.

This permit issued under bond dated _____

By _____ Principal